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PP RUEHBZ RUEH DU RUEHJO RUEHMR RUEHRN
DE RUEHSB #0073/01 0251110
ZNR UUUUU ZZH
P 251110Z JAN 08
FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC PRIORITY 2425
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
RUEHUJA/AMEMBASSY ABUJA 1827
RUEHAR/AMEMBASSY ACCRA 1741
RUEHDS/AMEMBASSY ADDIS ABABA 1867
RUEHBY/AMEMBASSY CANBERRA 1144
RUEHDK/AMEMBASSY DAKAR 1501
RUEHKM/AMEMBASSY KAMPALA 1923
RUEHNR/AMEMBASSY NAIROBI 4351
RUEHGV/USMISSION GENEVA 0994
RHEHAAA/NSC WASHDC
RHMFISS/JOINT STAFF WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RHEFDIA/DIA WASHDC//DHO-7//
RUCPDO/DEPT OF COMMERCE WASHDC
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK//DOOC/ECMO/CC/DAO/DOB/DOI//
RUEPGBA/CDR USEUCOM INTEL VAIHINGEN GE//ECJ23-CH/ECJ5M//

UNCLAS SECTION 01 OF 02 HARARE 000073

SIPDIS

SENSITIVE
SIPDIS

AF/S FOR S. HILL
NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN
STATE PASS TO USAID FOR L.DOBBS AND E.LOKEN
TREASURY FOR J. RALYEA AND T.RAND
COMMERCE FOR BECKY ERKUL
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS

E.O. 12958: N/A

TAGS: [ASEC](#) [ECON](#) [EMIN](#) [ENRG](#) [ETRD](#) [PGOV](#) [ZI](#)

SUBJECT: REGIONAL BLACKOUTS UNDERSCORE ZIMBABWE'S POWER WOES

REF: A. LUSAKA 074

[1](#)B. 07 HARARE 0998

SUMMARY

[1](#)1. (SBU) Power blackouts across the region this week have underscored the precarious state of Zimbabwe's regional and domestic power supply. South Africa no longer exports power to Zimbabwe; the DRC supply is erratic; Cahora Bassa Hydroelectric (HCB) in Mozambique is holding Zimbabwe on a tight leash, and Zimbabwe must meet its new power export obligation to Namibia. Domestically, the Hwange power plant continues to struggle with coal supply and the national grid is increasingly subject to vandalism. On the positive side, heavy rains will allow the Zimbabwe Electricity Supply Authority (ZESA) to run the Kariba hydroelectric plant at full throttle soon. Nevertheless, the short- and medium-term outlook for meeting Zimbabwe's power needs, even in the face of this sharply contracting economy, is gloomy. END SUMMARY.

Erratic Imports Exacerbate Dire State of Power Supply

[1](#)2. (SBU) ZESA CEO Benjamin Rafemoyo outlined the dire state of the country's electric power supply to econoff on January 21, 2007, as Zimbabwe struggled to deal with a wave of blackouts in the region (Ref A). The blackouts come at a time when Zimbabwe is utilizing less than half of its plant capacity (itself inadequate to meet demand) and power supply from the region is increasingly unreliable (Ref B). Rafemoyo reiterated that ESKOM of South Africa no longer supplies

power to Zimbabwe. SNEL of the DRC is currently exporting 80 MW to Zimbabwe against a contractual supply agreement of 100 MW; the shortfall is due to vandalism and transmission problems in the DRC.

¶3. (SBU) Rafemoyo admitted that Mozambique's HCB had briefly shut down power supply to Zimbabwe at year end, holding ZESA to ransom until it made the final agreed payment associated with the ownership transfer of HCB. Anchoring Zimbabwe's current power deal with HCB is an agreement under which Zimbabwe receives 200 MW for specific mining companies that pay ZESA in foreign exchange in return for priority supply; HCB will provide Zimbabwe with power above the 200 MW anchor only on a short-term basis. (Comment: Contacts in the mining industry tell us that even when the mines pay ZESA in foreign exchange, the crumbling infrastructure is rendering their power supply erratic. End Comment.) Earlier this month, vandalism of two pylons carrying electricity cables entirely knocked out the power supply from Mozambique and it has yet to be restored. Looking north, Rafemoyo optimistically maintained that Zambia will begin to export off-peak power to Zimbabwe in June 2008 and sign a firm sales agreement in ¶2009.

¶4. (SBU) Press reports that NamPower had written off Zimbabwe's debt to the company for NamPower's ongoing refurbishment of Hwange generators were "far from true," according to Rafemoyo. In addition, and further reducing domestic power supply, the Hwange plant recently began exporting 50 MW to Namibia under the refurbishment deal; the export obligation will rise to 150 MW over the next five years.

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And Erratic Domestic Supply, As Well

¶5. (SBU) ZESA is working to bring the Hwange thermal power plant back on stream after it shutdown on January 19. On January 21, Rafemoyo said the plant was producing 250 MW of its 780 MW capacity. However, the state-owned The Herald reported on January 24 that a breakdown in coal supply to the plant as a result of the power outages had slowed down re-activation of the plant, further taxing delivery. On a positive note, benefiting from heavy rainfall in the Zambezi River watershed, Rafemoyo said ZESA could soon run the Kariba hydroelectric plant at full throttle, increasing its output to 750 from 730 MW. Of the small Harare, Bulawayo and Munyati thermal power plants (combined capacity 170 MW), none is in operation, although Rafemoyo has received a promise of state funding to purchase coal for the plants and bring them back on stream by May 2008. He forecast that production at Hwange would reach 780-800 MW by September/October 2008 under the NamPower agreement.

Comment

¶6. (SBU) The short- and medium-term outlook for ZESA meeting Zimbabwe's power needs, even in the face of a sharply contracting economy, is gloomy, with serious implications for the country's economic recovery once the politics come right. Even if additional sources of power became available to Zimbabwe, the country's deteriorating infrastructure would present a serious impediment to a quick turnaround. End Comment.
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